

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

FIRST-CLASS MAIL PACKAGE SERVICE (FCPS)
SERVICE STANDARD CHANGES, 2021

Docket No. N2021-2

**RESPONSES OF THE UNITED STATES POSTAL SERVICE TO
QUESTIONS 1-6 OF PRESIDING OFFICER'S INFORMATION REQUEST NO. 8**
(August 5, 2021)

The United States Postal Service hereby provides its responses to the above-listed questions of Presiding Officer's Information Request No. 8, issued on July 29, 2021. Each question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Anthony Alverno
Chief Counsel, Global Business & Service
Development

Eric P. Koetting
Elizabeth A. Reed
C. Dennis Southard IV

475 L'Enfant Plaza, S.W.
Washington, D.C. 20260-1135
(202) 268-6284
dennis.southard@usps.gov
August 5, 2021

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS HAGENSTEIN TO
PRESIDING OFFICER'S INFORMATION REQUEST NO. 8**

1. Please refer to Responses to Presiding Officer's Information Request No. 4, question 9.b.i. The Postal Service states that "[t]he service standard change alone will not make the Postal Service capable of achieving the [95 percent on time] target" for FY 2022. Please quantify how much the service standards would improve solely due to the proposed changes.

RESPONSE:

Given no changes other than the proposed service standard change, a service improvement ranging from 1.95 points to 5.74 points could be expected to FCPS based on the analysis results from POIR No. 4, question 2. This reflects the service performance point improvement range calculated by quarter from FY 2019 and FY 2020. Please see file: "NP - POIR No8 Q1 - FCPS service perf current vs. proposed.xlsx" filed on today's date as part of Library Reference USPS-LR-N2021-2-NP19.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS OWENS TO
PRESIDING OFFICER'S INFORMATION REQUEST NO. 8
(REDIRECTED FROM WITNESS HAGENSTEIN)**

2. The Coronavirus Aid, Relief, and Economic Security Act (CARES Act) states that “during the COVID-19 emergency, the Postal Service—(1) shall prioritize delivery of postal products for medical purposes.” Pub. L. No. 116-136 § 6001(c) (March 27, 2020).
- a. Please explain how the Postal Service adhered to this provision during FY 2020 through the present with regard to FCPS containing items sent for medical purposes.
 - b. Please explain how the Postal Service plans to adhere to this provision after implementing the proposed standards (if the COVID-19 emergency continues at that time) with regard to FCPS containing items sent for medical purposes.

RESPONSE:

- 2.a.** In response to a very similar question in Docket No. ACR2020, the Postal Service explained in detail its approach to adherence to this provision. Response to ChIR No. 6, Question 16 (February 4, 2021). That explanation pertains equally to the instant question. Briefly stated, starting in FY 2020 and continuing through the present, as part of our steadfast commitment to delivering medications throughout the nation, Postal Service management has continuously reviewed pharmaceutical package service performance to the best of our ability, and worked closely with all mail-order prescription mailers to improve overall service. In addition, weekly operational meetings were established with pharmaceutical mailers to provide updates on service conditions and process improvements. More fundamentally, as an organization, the Postal Service has undertaken efforts throughout all levels to ensure the timely processing, dispatching and delivery of pharmaceutical shipments. These efforts included, to the extent that personnel in the field had some

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS OWENS TO
PRESIDING OFFICER'S INFORMATION REQUEST NO. 8
(REDIRECTED FROM WITNESS HAGENSTEIN)**

tangible basis to view particular mail pieces as likely constituting a pharmaceutical shipment, attempts to expedite handling of such pieces.

- 2.b.** The Postal Service does not anticipate that implementation of FCPS service standard changes that are the subject of this proceeding would have any effect on the current practices employed to adhere to this provision. To the extent feasible, as described above, the Postal Service would continue to give priority to the delivery of postal products (including FCPS) for medical purposes. Moreover, the testimony of witness Hagenstein describes how, under the contemplated service standard changes, almost all pharmaceutical volume presently subject to a two-day service standard would remain as two-day; and a majority of pharmaceutical volume presently subject to a three-day service standard would remain as three-day. USPS-T-1 at 36-36.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS FOTI TO
PRESIDING OFFICER'S INFORMATION REQUEST NO. 8**

3. Please refer to USPS-T-3, which states, “[w]e expect to maintain current FCPS-Retail volumes given these factors [competitive prices and increased reliability] and the convenience to retail customers of accessing our package products through our extensive retail network.” USPS-T-3 at 8.
 - a. Please discuss how retail customer satisfaction will be impacted by the proposed service standard change.
 - b. Please provide all materials, such as a survey or customer communications, that the Postal Service relied upon to make this assertion.

RESPONSE:

- 3.a. We believe customer satisfaction for shippers that use our FCPS-Retail product offering will likely be enhanced after the proposed changes. According to the Q1 FY21 Consumer and Commercial Brand Health Tracker, the top driver of satisfaction for users of USPS shipping products is: “is reliable.” The proposed operational changes that drive these service standard changes will enable greater certainty to FCPS shippers – including FCPS-Retail shippers – of on-time delivery expectations. We expect that this improved clarity of delivery expectations and improved performance at meeting those expectations will improve customer satisfaction. Additionally, relative to other market alternatives, the entire FCPS value proposition of price, service, and access will continue to resonate for shippers using the FCPS-Retail product.
- 3.b. Please see the Powerpoint file provided in USPS-LR-N2021-2-NP18.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS FOTI TO
PRESIDING OFFICER'S INFORMATION REQUEST NO. 8**

4. Please see Attachment, filed under seal.

RESPONSE:

Please see the response filed under seal as part of USPS-LR-N2021-2-NP18.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS FOTI TO
PRESIDING OFFICER'S INFORMATION REQUEST NO. 8**

5. Please see Attachment, filed under seal.

RESPONSE:

Please see the response filed under seal as part of USPS-LR-N2021-2-NP18.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS FOTI TO
PRESIDING OFFICER'S INFORMATION REQUEST NO. 8**

6. Please see Attachment, filed under seal.

RESPONSE:

Please see the response filed under seal as part of USPS-LR-N2021-2-NP18.